

Good Morning and Namaskar!

I am delighted to be here and thank you for your presence today. I heard such great stories about the last time all partners were together in Nepalgunj, and I hope to continue that spirit of cooperation while we work together and enjoy each others company.

For my first Partners meeting, it is exciting for me to have so much news to share. All of you are probably well aware of the many changes with the new Administration, and more recently with new Agency leadership.

We have in President Obama, Secretary Clinton, and Administrator Rajiv Shah a very powerful team that **believes** in development. We are fortunate to have a team with such great passion, knowledge and commitment to development – born from years of personal dedication to this cause.

When President Obama accepted the Nobel Peace Prize earlier this year, he called on this community, the development community, to elevate development as a necessary component, a necessary precondition, for peace and security in the world.

As a result, we find ourselves with a unique opportunity. A powerful consensus has formed across the U.S. Government, at the highest levels, that development is vital to both our national security and the shared interests of an interconnected world.

And so as we look towards the future, we envision a stronger Agency: one that has strong leadership - at all levels, one that has strong vision with the funds and support to meet that vision. This Agency will have more collaboration with other USG actors and international players, more resources, and more partnerships than ever before.

President Obama has clearly defined his vision through a number of **new Presidential initiatives** addressing –

global hunger and food security, global climate change, and global health. With this focus, I reasonably believe that USAID/Nepal will also get more attention and funding – not just because of the many Nepal fans lobbying for this beautiful country in the United States and elsewhere – but more so because of the many remarkable impacts our programs have achieved over the last six decades. As the old saying goes, success breeds success. We anticipate our direct budget more than doubling by FY 2011.

**First, the Global Hunger & Food Security Initiative:**

USAID helped spark an agricultural revolution that created the most dramatic increase in food production in history - and helped countries in Asia prevent massive starvation. Now, through the Food Security Initiative, also called Feed the Future, we have the opportunity, to reverse the unacceptable trend of increasing hunger in our world - and help tens of millions of people conquer extreme poverty through agricultural development.

Every year, two out of every three Nepalese suffer from food insecurity. As you know, Nepal remains the poorest country in South Asia and the 13th poorest country in the world. While poverty is pervasive and levels of nutrition and agricultural production are extremely low, a series of straightforward interventions, at the national and community level have great potential to:

- increase incomes,
- stimulate agricultural production,
- improve nutrition, and
- lower food insecurity.

Nepal is in a truly unique position to adopt and disseminate a series of community-based food security and nutrition initiatives. There are more than 50,000 female community health volunteers and a strong national network of community forest user groups which are poised to undertake additional activities with support from all of us.

Most of you may know that USAID, through its partners, has three activities currently addressing food insecurity – the Education for Income Generation program, Flood Recovery program, and the soon-to-begin Nepal Economic, Agriculture and Trade activity. USAID is also in the process of signing an agreement with the Ministry of Agriculture to directly fund select Government food security activities. I am happy to report that the Government of Nepal is deeply committed to this cause and has expressed enthusiasm for increased USAID and donor assistance.

The U.S. Government will continue to take, a strong leadership role in forging the way for sustainable solutions to food insecurity, and we look forward to building on your successes going ahead.

Second, the **Global Health Initiative:**

Through our work together in health, such as, vitamin A distribution, community-based maternal and child health activities and family planning, USAID has helped save millions of lives and contributed to the dramatic reduction of unnecessary deaths around the world. Now, through the Global Health Initiative, we all have the opportunity to save many more lives - creating a sustainable health system so that millions of people can reach their fullest potential.

Despite many challenges, Nepal has achieved truly impressive improvements in the health sector, especially regarding the health status of women and children. Surveys confirm that from 1996 to 2006 the maternal mortality declined significantly from 539 to 281 per 100,000 live births and under-five mortality by 48%.

However, we know there is a long way to go. Far too many women in Nepal die every day from childbirth. Each year, about 25,000 children die in Nepal before they reach the age of one month. That means about every 30 minutes a newborn dies in Nepal. What is particularly tragic is that most of these deaths are preventable.

With the resources that Global Health Initiative is likely to bring to Nepal, we are poised to build on the successes in the health sector and take these achievements to the next level. We will

- do more of what works
- develop new approaches
- institutionalize systems for sustainable results and
- collaborate for impact.

We look forward to working with you, the Government of Nepal, other donors and stakeholders to further refine this vision for Nepal in the coming months. ... Our challenge is clear. Our knowledge and resources are expanding ...

**And, third, the Global Climate Change Initiative:**

Nepal is vulnerable to the effects of climate change. The melting of the Himalayan glaciers could affect the water supply of approximately 1.3 billion people reliant on them. The impact on agriculture, biodiversity and health could also be very severe. Throughout Nepal, weather patterns are changing, insects, pests, and diseases are spreading their reach into new areas.

USAID has a long history of environmental programs in Nepal, like our work to establish the community forest user groups to support environmental governance, conserve bio-diversity, and promote sustainable livelihoods. USAID projects have improved the livelihoods and immediate environment of many Nepalese enabling them to be more resilient and better prepared to adapt to climate change stresses.

The Copenhagen Accord was a significant step forward. It provides for landmark funding, with particular focus on the adaptation needs of vulnerable countries and on forestry. It calls for the establishment of new financing and technology institutions. All major economies also made commitments to curb greenhouse gas pollution and report on their actions and emissions in a transparent fashion. And the Government of Nepal joined this historic compact.

With the Global Climate Change initiative's focus on **sustainable landscapes, adaptation, and clean energy** – all very pertinent to Nepal

– and given our history and successes, we are well positioned to have a substantial impact on climate change issues in Nepal with future programs.

Over the next year, we will launch several new activities in support of these initiatives. My colleagues Anne, Bill, and David will talk more about how we hope to engage you and how the current activities and new plans will interact to bring about greater results for Nepal.

In the last year we celebrated the conclusion and **accomplishments** of many of our programs. Many of you were a part of those celebrations. Given this opportune gathering, I would now like to take a few minutes to highlight some of the results from recently concluded efforts. Impacts that USAID and the Government of Nepal take great pride in.

- USAID's *agriculture program*, popularly known as SIMI, provided water access and

market development assistance to over 18 districts in Nepal, helping more than 80,000 small farmers increase their household income by over 50% per year.

- SAGUN, our *Natural Resource Management* program, helped communities acquire and consolidate tens of thousands of hectares of forested land under improved management conditions; built stable, equitable and transparent systems of governance; supported issue-based advocacy; and produced livelihood benefits for thousands of poor people.

- The *Sustainable Income Generation* program empowered more than 17,000 women from four remote districts by teaching them to read, helping them start small businesses and increasing their household incomes.

- The *Youth Initiatives for Peace and Reconciliation* project empowered more than 32,000 youth in the Terai to play more constructive roles in their communities.

- The *Strengthen Rule of Law* program increased access to justice for society's most vulnerable groups; improved the administration of the courts; and expedited the delivery of justice through alternative dispute resolution mechanisms – eight mediation centers were opened over the life of the project.

- Through USAID and other donor support, the Government of Nepal continues to make remarkable progress in *reducing maternal and under-five mortality*. A few months back the Government was recognized with an award from the Global Alliance for Vaccine and Immunizations for its progress toward achieving its Millennium Development Goals for maternal and child mortality.

These efforts made remarkable progress in just a few years time – progress that has brought real improvement to the lives of the Nepali people. This progress is also the reason **why we are here doing what we do- because we know that positive change is possible**

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President Obama has called on us to "reach for the world that ought to be."

And Administrator Shah maintains "if we are to fulfill our charge of creating positive change throughout the world, we must be prepared to create change within our Agency."

There is common understanding within USAID across all levels that the Agency **will need to** make radical improvements in systems and processes to help all of us become more effective in our work. And the Agency is working on it.

There is recognition across the Agency of the need to rebuild the capacities USAID once had to

analyze, plan, and invest strategically for the long term.

At the same time, there is a stronger focus on developing new capabilities to pursue innovation - and to better focus our programs on women and girls, who have the power to lift their families and communities out of poverty. One of the first appointments by the new administration was a senior advisor for innovation.

There is also a renewed call to stay relentlessly focused on results, as evidenced by the appointment of Ruth Levine as the senior advisor for evaluation and the director of evaluation, policy analysis, and learning. We have to do a better job establishing baseline data, measuring progress, being transparent about both our successes and our failures - learning from both and improving our approach as we go forward.

Later today, Indra K.C., USAID's GIS Specialist, will walk you through a new information management tool that we will be rolling out soon. It has the potential of being a powerful communication tool and will help us better understand and manage our programs, as well as support our monitoring and evaluation efforts. This is just one innovation we are exploring, and I encourage each one of you to take full advantage of it.

Most importantly, the President and USAID Administrator have both spoken about the need to pursue our work in PARTNERSHIP and about the need to BETTER COORDINATE our work with the government, public, and multilateral partners.

I challenge you to think more broadly, more deeply, and outside the proverbial box, to let us know about the ideas you have that will make what you do more effective.

In line with the **Paris Declaration**, we need to find smarter, more effective ways to support host country-led programs and strengthen their systems. We need to change our business model - focusing our efforts on building the local capacity that is key to the sustainability of our efforts.

As Administrator Shah points out "the object of our aid is to create the conditions where it is no longer needed, so that communities thrive, governance is strong, and schools and other

institutions continue to operate long after we leave.”

As we move ahead, I urge all partners to bring forward new ideas and approaches – together, we need to create lasting, sustainable programs **that live beyond the life of a program**. Many countries are beginning to use trust funds, endowments, debt swaps and other creative development techniques. I want to encourage our partners and all of the USAID/Nepal team to explore further innovations for bigger, and more sustainable results.

It is imperative that we see and hear about the impacts of our health programs in Humla or of the agriculture program in Palpa even after the programs have closed – only then will we have been truly successful!

The governmental landscape in Nepal is going to change. And USAID and our partners need to be ready for that change – to minimize negative impact on development, and more importantly, to take full advantage of the opportunities that will come with a new form of government. Our conversations today are aimed at helping us all be better prepared to support Nepal.

My hope is that you participate fully in the discussions that follow this afternoon on *Partnering with Government*

to explore and brainstorm smart and effective ways to engage with and support Government and local institution-led programs. I look forward to a strong set of recommendations and actions along those lines.

We hope to engage more with you in the future and keenly look forward to embracing and following through on the strong visions of this Administration.

After listening to me for all that while, I am sure you will now be more than happy to listen to my Senior Management Team who will walk you through an overview of USAID/Nepal – to remind and inform you of all the different aspects of USAID, which is more than just one or two programs. We hope the information shared will help during discussions later today.

Sheila, the floor is all yours.

Thank you!

Kevin A. Rushing  
Director, USAID/Nepal